



Staff Summary Report

Council Meeting Date: February 13, 2003

Agenda Item Number: 8

SUBJECT: Award of #03-104, Sole Source Request For Patron Self-Check Units for the Tempe Public Library to 3M Library System in an amount not to exceed \$82,845 which includes installation and a one-year contract for software and hardware maintenance.

DOCUMENT NAME: 20030213fsdl02 PURCHASES (1004-01)

SUPPORTING DOCS: Yes.

COMMENTS: N/A

PREPARED BY: Donna Littrell, CPPB, Procurement Officer, 480-350-8516

REVIEWED BY: Ron Gauthier, CPPO, Central Services Administrator, 480-350-8405

LEGAL REVIEW BY: Marlene Pontrelli and Ron Dunham

FISCAL NOTE: Funds have been appropriated in 6945-7518.

RECOMMENDATION: Award the Contract.

ADDITIONAL INFO: On March 5, 2002, the Procurement Office issued a Request For Proposal for three patron checkout units to replace the library's old units which were no longer being supported by the vendor. Three vendors responded: Codeco Canada, 3M Library Systems, and Vernon Library Supplies. A contract was awarded at the May 30, 2002 Council meeting to Codeco Canada. Codeco Canada installed the three units on September 26, 2002. The three units never functioned according to the specifications. Numerous on-site repair visits by the vendor were unsuccessful. In consultation with both the City Attorney's Office and the Purchasing Office, Codeco was found to be in default of the RFP specifications. The Procurement Office issued a letter of default to Codeco Canada on December 16, 2002. The Library is currently working with the City Attorney's office to obtain return of the initial deposit paid to Codeco Canada.

Of the remaining two vendors who responded to the initial RFP, only 3M manufactures a product that will work successfully with the Library's security system. Vernon Library Supplies, who was the U.S. distributor for a British product, has severed ties with the manufacturer and will no longer sell or support those units. As a result, the Maricopa County Library District is in the process of replacing their Vernon units with 3M machines.

APPROVED BY: Donna Littrell
Procurement Officer

Teri Metros
Deputy Community Services Manager-
Library

Memorandum

TO: Ron Gauthier, CPPO
Central Services Administrator

FM: Tom Canasi 2/3/03
Name of Department Head (Director/Chief) Date
Community Services
Name of Department

SUBJECT: Sole Source Determination

As Head of the City Department for which the needed item(s) will be purchased, I have made a determination that only one (1) reasonable and practicable source exists to supply the required material. As such, I am authorizing the City Procurement Office to work with my Department to negotiate an acceptable contract with:

3M Library Systems
Name of Supplier

Description of Item(s) to be purchased:

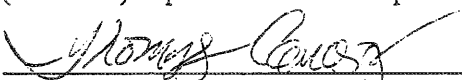
3 3M Model 7210 Digital SelfCheck Systems

Refer to Requisition No. _____, dated _____ which has been transmitted to the City Procurement Office to initiate this Sole Source purchase.

My (customer) department contact for this purchase is Teri Metros at Ext. 5551.

My Sole Source determination is based upon extensive research conducted by my department as to possible suppliers for this need and a written justification is attached for City Procurement Office records.

As related to this purchase, there are no conflicts of interest, legal, ethical or preference issues which would compromise my (customer) department or this acquisition.

Department Head's Signature  Date 2-4-03

City Procurement Ordinance 97.55, Sec. 26A-12 identifies the basis for a sole source procurement as follows:

“A purchase may be made or contract awarded by the procurement office without competition when the using department director determines in writing, after conducting a good faith review of available sources, that there is only one reasonable and practicable source for the required material or service. The using department requesting the sole source procurement shall provide written evidence to support a sole source determination. The procurement officer will participate with the using department in the conduct of negotiations, as appropriate, to price, delivery and terms. The procurement officer may require the submission of cost or pricing data in connection with a purchase or award under this section. Sole source procurement shall be avoided, except when no reasonable alternative sources exist. A record of sole source procurements shall be maintained as a public record.”

Sole Source Justification

The Tempe Public Library uses the 3M library security system, which involves processing the library's materials with 3M Tattle-Tape products. These products must be de-sensitized when they are checked out; otherwise they set off an alarm at the library's exit gates.

We could find only three companies that sold patron selfcheck machines that are compatible with the 3M security system when we issued our RFP last year. The responses of all three companies to our RFP were excellent, and the ranking and award were based primarily on purchase price and maintenance costs. We selected Codeco Canada, whose product has failed to meet the specifications of the RFP; we are no longer using these machines and are trying to get Codeco to take them back.

Another vendor was Vernon, who was the U.S. supplier for a system made in Britain. Vernon has severed ties with the manufacturer and can no longer sell or support this system. The Maricopa County Library District is having to replace their Vernon systems with 3M, who is now left as the only source of selfcheck machines compatible with the 3M security system.

3M Materials Flow Management Systems Proposal

3M Library Systems

75-0299-6230-7 (Form 34050 - B - PWD)

P.O. Box 33682

St. Paul, MN 55133-3682

1-800-328-0067 ext. 2

Fax 1-800-223-5563

Library Tempe Public Library		Purchase Order #	
Contact Name Teri Metros/Lee Kornblum		Authorized By	
Phone Number 480-350-5552	Fax Number 480-350-5544	Date	
Address 3500 South Rural Road		Mail To: 3M Library Systems P.O. Box 33682 St. Paul, MN 55133-3682	
City, County, State, Zip Tempe AZ. 85282		or Fax To: Fax 1-800-223-5563	

Product Description

	Quantity	Unit Price	Install Price	Item Price
3M Digital SelfCheck System (7210*)	3	\$27,245.000		\$81,735.00
With Video Checkout Unit (Best Price)				\$0.00
				\$0.00
Trade-In of 5220 System-Discount	3	-\$6,000.000		(\$18,000.00)
				\$0.00
Two Additional Years of Service	3	\$6,800.000		\$20,400.00
at \$3,400 per 12 months of service				\$0.00
10% Discount on Service for two years	3	-\$680.000		(\$2,040.00)
				\$0.00
*Version 3.0 software added in aprox.				\$0.00
April 2003				\$0.00
				\$0.00
				\$0.00
Subtotal Equipment and Markers			\$0.00	\$82,095.00

Service Agreement

Equipment	Zone	Qty	Duration/ Months	Unit Price	Total Unit Price	\$82,095.00
					Unit Tax	\$0.00
					Install Charge	included
					Install Tax	\$0.00
					Service Agreement	
					Freight	\$750.00
					Total Proposal	\$82,845.00
Subtotal Service				\$0.00		

Other Information

- This proposal includes installation and a 39 month	Technology Solution - Financing Option	
Service Warranty	12 Monthly Payments	
Freight is prepaid and charged back to customer	24 Monthly Payments	
One Year 100% Satisfaction Guarantee	36 Monthly Payments	
3M Representative Jacob Haas	Signature <i>Jacob Haas</i>	Phone 800-328-0067 option 3 x35
		Date 1/28/2003

Quotations are good for 90 days from the above date. Mail or Fax purchase order to the address above.

Terms are NET 20 Days